

**TOWN OF MAMOU, LOUISIANA**

Financial Report

Year Ended December 31, 2013

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-4
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of net position	7
Statement of activities	8
<b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Balance sheet - governmental funds	11
Reconciliation of the governmental funds balance sheet to the statement of net position	12
Statement of revenues, expenditures, and changes in fund balances- governmental funds	13
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	14
Statement of net position - proprietary funds	15
Statement of revenues, expenses, and changes in fund net position - proprietary funds	16
Statement of cash flows - proprietary funds	17-18
Notes to basic financial statements	19-42
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary comparison schedules:	
General Fund	44
Sales Tax Special Revenue Fund	45
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>OTHER FINANCIAL INFORMATION</b>	
Statement of net position (with prior year comparable amounts)	48
Balance sheet - governmental funds (with prior year comparable amounts)	49
Statement of revenues, expenditures, and changes in fund balances- governmental funds (with prior year comparable amounts)	50
Major Governmental Funds (with prior year comparable amounts) -	
General Fund - budgetary comparison schedule - revenues	51
General Fund - budgetary comparison schedule- expenditures	52-54
Sales Tax Fund - budgetary comparison schedule	55
Schedule of number of utility customers (unaudited)	56
Schedule of insurance in force (unaudited)	57

(continued)

## TABLE OF CONTENTS (Continued)

	<u>Page</u>
Combined schedule of interest-bearing deposits - all funds	58
Comparative statement of net position - proprietary funds	59
Comparative statement of revenues, expenses, and changes in fund net position - proprietary funds	60
Departmental analysis of revenues and expenses - utility fund	61
 INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	63-64
Summary schedule of current and prior year audit findings and corrective action plan	65

C. Burton Kolder, CPA\*  
 Russell F. Champagne, CPA\*  
 Victor R. Slaven, CPA\*  
 Gerald A. Thibodeaux, Jr., CPA\*  
 Robert S. Carter, CPA\*  
 Arthur R. Mixon, CPA\*  
 Penny Angelle Scruggins, CPA  
 Christine C. Doucet, CPA  
 Wanda F. Arcement, CPA, CVA

Stephen J. Anderson, CPA  
 Cheryl L. Bartley, CPA  
 Bryan K. Joubert, CPA  
 Matthew E. Margaglio, CPA  
 Allen J. LaBry, CPA  
 Albert R. Leger, CPA, PFS, CSA\*  
 Marshall W. Guidry, CPA  
 Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®  
 James R. Roy, CPA  
 Robert J. Metz, CPA  
 Alan M. Taylor, CPA  
 Kelly M. Doucet, CPA  
 Mandy B. Self, CPA  
 Paul L. Delcambre, Jr., CPA  
 Kristin B. Dauzat, CPA  
 Jane R. Hebert, CPA  
 W. Jeffrey Lowry, CPA  
 Brad E. Kolder, CPA, JD  
 Casey L. Ardoin, CPA  
 Deidre L. Stock, CPA  
 Karen V. Fontenot, CPA

\* A Professional Accounting Corporation

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

183 South Beadle Rd. Lafayette, LA 70508 Phone (337) 232-4141 Fax (337) 232-8660	450 East Main Street New Iberia, LA 70560 Phone (337) 367-8204 Fax (337) 367-8208
113 East Bridge St. Breaux Bridge, LA 70517 Phone (337) 332-4020 Fax (337) 332-2867	200 South Main Street Abbeville, LA 70510 Phone (337) 893-7944 Fax (337) 893-7946
1234 David Dr. Ste 203 Morgan City, LA 70380 Phone (885) 384-2020 Fax (885) 384-3020	1013 Main Street Franklin, LA 70538 Phone (337) 828-0272 Fax (337) 828-0290
434 East Main Street Ville Platte, LA 70586 Phone (337) 363-2792 Fax (337) 363-3048	133 East Waddell St. Marksville, LA 71351 Phone (318) 253-9252 Fax (318) 253-8881
332 West Sixth Avenue Oberlin, LA 70655 Phone (337) 639-4737 Fax (337) 639-4568	1428 Metro Drive Alexandria, LA 71301 Phone (318) 442-4421 Fax (318) 442-6833

WEB SITE  
[WWW.KCSRPCAS.COM](http://WWW.KCSRPCAS.COM)

Retired:  
 Conrad O. Chapman, CPA\* 2008

## INDEPENDENT AUDITORS' REPORT

The Honorable Ricky Fontenot, Mayor  
 and Members of the Board of Aldermen  
 Town of Mamou, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mamou, Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town's primary government as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
Sales Tax Special Revenue Fund	Unmodified
Utility Enterprise Fund	Unmodified
Aggregate Remaining Fund Information	Qualified

### **Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information**

The financial statements referred to above do not include financial data for the Town's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Town's primary government unless the Town also issues financial statements for the financial reporting entity that include the financial data for its component units. The Town has not issued such reporting entity financial statements. The amount by which this departure from accounting principles generally accepted in the United States of America would affect the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable. In addition, the amount by which this departure from accounting principles generally accepted in the United States of America would affect assets, liabilities, fund balances, revenues, and expenditures of the aggregate fund information is also not reasonably determinable.

### **Adverse Opinion**

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Town of Mamou, Louisiana, as of December 31, 2013, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Qualified Opinion**

In our opinion, except for the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Town of Mamou, Louisiana, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Mamou, Louisiana, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note 22 to the financial statements, the Town of Mamou, Louisiana adopted new accounting guidance, *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 44 - 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Mamou, Louisiana has omitted management's discussion and analysis that, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mamou, Louisiana's basic financial statements. The other supplementary information on pages 48 through 61 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The statement of financial position, individual fund financial statements, and the schedule of interest bearing deposits on pages 48 through 50 and 58 through 61 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole. The prior year comparative information included in the other supplementary information has been derived from the Town of Mamou, Louisiana's 2012 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The budgetary comparison schedules, schedule of number of utility customers and the schedule of insurance in force on pages 51 through 57 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have issued our report dated June 16, 2014, on our consideration of the Town of Mamou, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Mamou, Louisiana's internal control over financial reporting and compliance.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 16, 2014

## **BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

TOWN OF MAMOU, LOUISIANA

Statement of Net Position  
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$1,282,105	\$ 413,186	\$1,695,291
Receivables, net	142,060	257,783	399,843
Due from other governmental units	7,600	-	7,600
Inventory	-	11,670	11,670
Prepaid items	44,929	10,985	55,914
Total current assets	<u>1,476,694</u>	<u>693,624</u>	<u>2,170,318</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	100,000	222,066	322,066
Capital assets, net	4,106,917	3,199,212	7,306,129
Total noncurrent assets	<u>4,206,917</u>	<u>3,421,278</u>	<u>7,628,195</u>
Total assets	<u>5,683,611</u>	<u>4,114,902</u>	<u>9,798,513</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	105,563	89,977	195,540
Claims payable	33,181	-	33,181
Internal balances	87,910	(87,910)	-
Total current liabilities	<u>226,654</u>	<u>2,067</u>	<u>228,721</u>
Noncurrent liabilities:			
Customers deposits payable	-	222,066	222,066
Contingent liabilities	25,000	-	25,000
Total noncurrent liabilities	<u>25,000</u>	<u>222,066</u>	<u>247,066</u>
Total liabilities	<u>251,654</u>	<u>224,133</u>	<u>475,787</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,106,917	3,199,212	7,306,129
Restricted for worker's compensation claims	75,000	-	75,000
Unrestricted	1,250,040	691,557	1,941,597
Total net assets	<u>\$5,431,957</u>	<u>\$3,890,769</u>	<u>\$9,322,726</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MAMOU, LOUISIANA

Statement of Activities  
For the Year Ended December 31, 2013

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental activities:</b>							
General government	\$ 779,675	\$ 143,189	\$ 12,491	\$ -	\$ (623,995)	\$ -	\$ (623,995)
Public safety -							
Police	741,111	112,105	3,438	-	(625,568)	-	(625,568)
Streets	491,617	-	5,000	513,128	26,511	-	26,511
Culture and recreation	213,869	14,027	-	-	(199,842)	-	(199,842)
Judicial	43,163	-	-	-	(43,163)	-	(43,163)
Total governmental activities	<u>2,269,435</u>	<u>269,321</u>	<u>20,929</u>	<u>513,128</u>	<u>(1,466,057)</u>	<u>-</u>	<u>(1,466,057)</u>
<b>Business-type activities:</b>							
Gas	603,038	868,584	-	83,500	-	349,046	349,046
Water	352,600	535,591	-	-	-	182,991	182,991
Sewer	382,397	465,596	-	-	-	83,199	83,199
Total business-type activities	<u>1,338,035</u>	<u>1,869,771</u>	<u>-</u>	<u>83,500</u>	<u>-</u>	<u>615,236</u>	<u>615,236</u>
<b>Total</b>	<u>\$3,607,470</u>	<u>\$2,139,092</u>	<u>\$ 20,929</u>	<u>\$ 596,628</u>	<u>\$ (1,466,057)</u>	<u>\$ 615,236</u>	<u>\$ (850,821)</u>
<b>General revenues:</b>							
Taxes -							
Ad valorem taxes, levied for general purposes					65,737	-	65,737
Ad valorem taxes, levied for streets and recreation					107,256	-	107,256
Sales and use taxes, levied for general purposes					452,623	-	452,623
Sales and use taxes, levied for capital improvements					184,401	-	184,401
Sales and use taxes, levied for industry and tourism inducement					33,528	-	33,528
Franchise taxes					164,103	-	164,103
Grants and contributions not restricted to specific programs -							
State sources					7,863	-	7,863
Interest and investment earnings					2,456	1,823	4,279
Hospital lease revenue					191,250	-	191,250
Nursing home lease revenue					386,933	-	386,933
Miscellaneous					79,581	-	79,581
Transfers to component unit					(509,334)	-	(509,334)
Transfers					677,417	(677,417)	-
Total general revenues and transfers					<u>1,843,814</u>	<u>(675,594)</u>	<u>1,168,220</u>
Change in net position					377,757	(60,358)	317,399
Net position - January 1, 2013					<u>5,054,200</u>	<u>3,951,127</u>	<u>9,005,327</u>
Net position - December 31, 2013					<u>\$ 5,431,957</u>	<u>\$ 3,890,769</u>	<u>\$ 9,322,726</u>

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Special Revenue Fund**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

#### **Sales Tax Fund**

To account for the receipt and use of proceeds of the Town's two 1% sales and use taxes as described below.

The proceeds of the Town's 1986 1% sales tax are dedicated to and used for any lawful corporate purpose of the Town. This tax was renewed by the voters of the Town in April 2011.

The proceeds of the Town's 1991 1% sales tax are dedicated and divided as follows: thirty-five percent (35%) for any lawful corporate purpose of the Town; ten percent (10%) for inducing and attracting commerce, industry and tourism in the Town, including the acquisition and improvement of land and buildings there for; and fifty-five percent (55%) for constructing, acquiring, improving and/or extending any work of capital improvement for the Town.

### **Enterprise Fund**

#### **Utility Fund -**

To account for the provision of gas, water, and sewerage services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF MAMOU, LOUISIANA

Balance Sheet  
Governmental Funds  
December 31, 2013

	General	Sales Tax Special Revenue	Total
<b>ASSETS</b>			
Cash	\$ 143,211	\$ -	\$ 143,211
Interest-bearing deposits	510,470	619,934	1,130,404
Receivables:			
Taxes	142,045	-	142,045
Accrued interest	15	-	15
Due from other funds	-	17,399	17,399
Due from other governmental units	7,600	-	7,600
Prepaid items	35,570	-	35,570
Restricted cash:			
Interest-bearing deposits	100,000	-	100,000
Total assets	<u>\$ 938,911</u>	<u>\$ 637,333</u>	<u>\$ 1,576,244</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts and other payables	\$ 88,126	\$ 952	\$ 89,078
Compensated absences payable	16,485	-	16,485
Due to other funds	133,190	-	133,190
Total liabilities	<u>237,801</u>	<u>952</u>	<u>238,753</u>
Deferred inflows of resources:			
Unavailable revenue - delinquent ad valorem taxes	32,487	-	32,487
Fund balances:			
Nonspendable	35,570	-	35,570
Restricted - sales tax dedications	-	636,381	636,381
Restricted - worker's compensation claims	100,000	-	100,000
Unassigned	533,053	-	533,053
Total fund balances	<u>668,623</u>	<u>636,381</u>	<u>1,305,004</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 938,911</u>	<u>\$ 637,333</u>	<u>\$ 1,576,244</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MAMOU, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2013

Total fund balances for governmental funds at December 31, 2013	\$1,305,004
---	-------------

Total net position reported for governmental activities in the statement of net position is different because: ..

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 269,650	
Buildings and improvements, net of \$966,670 accumulated depreciation	2,211,656	
Infrastructure, net of \$1,072,664 accumulated depreciation	1,452,245	
Equipment, furniture, and fixtures, net of \$526,084 accumulated depreciation	86,881	
Vehicles, net of \$182,446 accumulated depreciation	<u>86,485</u>	4,106,917

Some of the Town's ad valorem taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.

32,487

Long-term liabilities at December 31, 2013:

Contingent liability	(25,000)
----------------------	----------

Net position of the group self-insurance internal service fund

12,549

Total net position of governmental activities at December 31, 2013

\$5,431,957

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MAMOU, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds

For the Year Ended December 31, 2013

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Total</u>
Revenues:			
Taxes	\$ 304,609	\$ 670,552	\$ 975,161
Licenses and permits	143,189	-	143,189
Intergovernmental	58,280	513,128	571,408
Fines and forfeits	82,617	-	82,617
Miscellaneous	668,570	5,677	674,247
Total revenues	<u>1,257,265</u>	<u>1,189,357</u>	<u>2,446,622</u>
Expenditures:			
Current -			
General government:			
Administrative	632,504	80,471	712,975
Public safety:			
Police	704,102	-	704,102
Highways and streets	435,736	-	435,736
Culture and recreation	138,703	-	138,703
Judicial	43,284	-	43,284
Capital outlay	16,070	637,065	653,135
Total expenditures	<u>1,970,399</u>	<u>717,536</u>	<u>2,687,935</u>
Excess (deficiency) of revenues over expenditures	<u>(713,134)</u>	<u>471,821</u>	<u>(241,313)</u>
Other financing sources (uses):			
Transfers in	1,269,644	-	1,269,644
Transfers out	-	(592,227)	(592,227)
Transfers in (out) - component unit	(509,334)	-	(509,334)
Total other financing sources (uses)	<u>760,310</u>	<u>(592,227)</u>	<u>168,083</u>
Net changes in fund balances	47,176	(120,406)	(73,230)
Fund balances, beginning	<u>621,447</u>	<u>756,787</u>	<u>1,378,234</u>
Fund balances, ending	<u>\$ 668,623</u>	<u>\$ 636,381</u>	<u>\$1,305,004</u>

The accompanying notes are an integral part of the basic financial statements.



TOWN OF MAMOU, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2013

Total net changes in fund balances at December 31, 2013 per statement of revenues, expenditures and changes in fund balances	\$ (73,230)
---	-------------

The change in net position reported for governmental activities in the  
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the statement  
of revenues, expenditures and changes in fund balances

\$ 612,424

Depreciation expense for the year ended December 31, 2013

(199,887) 412,537

Some of the Town's ad valorem taxes will be collected after year-end,  
but are not available soon enough to pay for the current period's  
expenditures, and therefore are reported as deferred inflows of  
resources at the fund level.

32,487

Net income of group self-insurance internal service fund

5,963

Total changes in net position at December 31, 2013 per statement of activities

\$ 377,757

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MAMOU, LOUISIANA

Statement of Net Position  
Proprietary Funds  
December 31, 2013

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 1	\$ 8,490
Interest-bearing deposits	413,185	-
Receivables -		
Accounts	169,014	-
Unbilled utility receivables	88,526	-
Accrued interest receivable	35	-
Other	208	-
Due from other funds	87,910	27,881
Inventory - natural gas	11,670	-
Prepaid items	<u>10,985</u>	<u>9,359</u>
Total current assets	<u>781,534</u>	<u>45,730</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	222,066	-
Capital assets, net of accumulated depreciation	<u>3,199,212</u>	<u>-</u>
Total noncurrent assets	<u>3,421,278</u>	<u>-</u>
Total assets	<u>4,202,812</u>	<u>45,730</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other payables	84,515	-
Compensated absences payable	5,462	-
Claims payable	<u>-</u>	<u>33,181</u>
Total current liabilities	89,977	33,181
Noncurrent liabilities:		
Customers' deposits	<u>222,066</u>	<u>-</u>
Total liabilities	<u>312,043</u>	<u>33,181</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	3,199,212	-
Unrestricted	<u>691,557</u>	<u>12,549</u>
Total net position	<u>\$ 3,890,769</u>	<u>\$ 12,549</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF MAMOU, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Year Ended December 31, 2013

	<u>Business-type Activities-</u> <u>Enterprise Fund</u>	<u>Governmental Activities -</u> <u>Internal Service Fund</u>
Operating revenues:		
Charges for services	\$1,796,195	\$289,145
Permits, reconnections and penalties	59,606	-
Miscellaneous	13,970	-
Total operating revenues	<u>1,869,771</u>	<u>289,145</u>
Operating expenses:		
Gas department expenses	596,038	-
Water department expenses	277,147	-
Sewerage department expenses	239,719	-
Depreciation expense	225,131	-
Self insurance expenses	-	283,182
Total operating expenses	<u>1,338,035</u>	<u>283,182</u>
Operating income	531,736	5,963
Nonoperating revenues (expenses):		
Interest income	<u>1,823</u>	<u>-</u>
Income before contributions and transfers	533,559	5,963
Capital contributions	<u>83,500</u>	<u>-</u>
Income before transfers	617,059	5,963
Transfers out	<u>(677,417)</u>	<u>-</u>
Change in net assets	(60,358)	5,963
Net position, beginning	<u>3,951,127</u>	<u>6,586</u>
Net position, ending	<u>\$3,890,769</u>	<u>\$ 12,549</u>

The accompanying notes are an integral part of this statement.

TOWN OF MAMOU, LOUISIANA

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2013

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,829,551	\$ 289,145
Payments to suppliers	(890,140)	(286,651)
Payments to employees	(181,438)	-
Other receipts	<u>13,970</u>	<u>-</u>
Net cash provided by operating activities	<u>771,943</u>	<u>2,494</u>
Cash flows from noncapital financing activities:		
Capital contributions	83,500	-
Transfers to other funds	<u>(722,775)</u>	<u>-</u>
Net cash used by noncapital financing activities	<u>(639,275)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Net increase in customer meter deposits	3,491	-
Net acquisition of property, plant and equipment	<u>(116,973)</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(113,482)</u>	<u>-</u>
Cash flows from investing activities:		
Net purchases of interest-bearing deposits with maturity in excess of ninety days	(945)	-
Interest earned	<u>1,796</u>	<u>-</u>
Net cash provided by investing activities	<u>851</u>	<u>-</u>
Net increase in cash and cash equivalents	20,037	2,494
Cash and cash equivalents, beginning of period	<u>382,773</u>	<u>5,996</u>
Cash and cash equivalents, end of period	<u>\$ 402,810</u>	<u>\$ 8,490</u>

(continued)

TOWN OF MAMOU, LOUISIANA

Statement of Cash Flows  
Proprietary Funds (Continued)  
For the Year Ended December 31, 2013

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 531,736	\$ 5,963
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	225,131	-
Changes in current assets and liabilities:		
Increase accounts receivable	(8,322)	-
Decrease in provision for uncollectible accounts	(2,594)	-
Increase unbilled utility receivables	(15,334)	-
Decrease in inventory	11,555	-
Decrease in prepaid items	2,190	1,209
Increase in accounts payable	26,106	-
Increase in compensated absences payable	1,475	-
Decrease in provision for claims payable	<u>-</u>	<u>(4,678)</u>
Net cash provided by operating activities	<u>\$ 771,943</u>	<u>\$ 2,494</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 1	\$ 5,996
Interest-bearing deposits - unrestricted	395,694	-
Interest-bearing deposits - restricted	218,575	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(231,497)</u>	<u>-</u>
Total cash and cash equivalents	<u>382,773</u>	<u>5,996</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	1	8,490
Interest-bearing deposits - unrestricted	413,185	-
Interest-bearing deposits - restricted	222,066	-
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(232,442)</u>	<u>-</u>
Total cash and cash equivalents	<u>402,810</u>	<u>8,490</u>
Net increase	<u>\$ 20,037</u>	<u>\$ 2,494</u>

The accompanying notes are an integral part of the basic financial statements.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Mamou (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### A. Financial Reporting Entity

The Town of Mamou was incorporated on January 4, 1911, under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

As the municipal governing authority, for reporting purposes, the Town of Mamou is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and (d) organizations that are closely related to, or financially integrated with the primary government.

Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by Statement No. 39 established criteria for determining which component units should be considered part of the Town of Mamou for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.

TOWN OF MAMOU, LOUISIANA

Notes to Basic Financial Statements (Continued)

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship if all of the following conditions exist:
  - a. The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
  - b. The primary government (or its component units) is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
  - c. The economic resources received or held by an individual organization that the specific primary government (or its component units) is entitled to, or has the ability to otherwise access, are significant to that primary government.
4. Organizations that are closely related to, or financially integrated with the primary government.

The following component units are not presented in the accompanying financial statements:

Savoy Cancer Center, Inc.

The Savoy Cancer Center, Inc. (a nonprofit organization) was determined to be a component unit but is not presented in the accompanying financial statements. The organization's primary function is limited to fundraising activities to provide support for indigent cancer patients. The Center is a nonprofit organization incorporated on June 29, 1998. The Center was formed for the purpose of operating and managing a facility for treating cancer patients and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The direction, administration and management of the Center is governed by a Board of Directors or Trustees of not less than six (6) nor more than ten (10) members. The members serve terms of one to three years.

Complete financial statements for the component unit may be obtained at the entity's administrative office (Savoy Cancer Center, Inc., 803 Poinciana, Mamou, LA 70554).

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Savoy Medical Management Group, Inc.

Savoy Medical Management Group, Inc. (a nonprofit organization) was determined to be a component unit but is not presented in the accompanying financial statements. The organization is a nonprofit organization incorporated on November 11, 2009. The organization was formed for the purpose of providing medical and health related services to communities in and around Mamou, Parish of Evangeline, Louisiana, and to those persons or individuals seeking healthcare and is exempt from income taxes under Section 504(c)(3) of the Internal Revenue Code. The sole member of this corporation shall be the Town of Mamou, Louisiana, which shall act through individuals duly elected and then serving on the Town of Mamou Council. The management and affairs of this corporation shall be at all times under the direction of the Board of Trustees which shall at all times consist of at least three (3) but no more than nine (9) members appointed by the sole Member's governing body. The Board of Trustees may include at least two (2) members of the sole Member's governing body.

Complete financial statements for the component unit may be obtained at the entity's administrative office (Savoy Medical Management Group, Inc., 801 Poinciana, Mamou, LA 70554).

#### Savoy Medical Center and Savoy Care Center Nursing Home

The Savoy Medical Center and the Savoy Care Center Nursing Home were determined to be component units but are not presented in the accompanying financial statements. The Town of Mamou owns the equipment and physical plant operated by Savoy Medical Center, which includes the Town of Mamou Cancer Center Building Fund, and Savoy Care Center Nursing Home. Until December 31, 2009, the Town leased the premises, which included the land, buildings, fixtures, improvements and equipment for the hospital facility to Rapides Healthcare System, LLC d/b/a Savoy Medical Center for \$765,000 annually. Effective January 1, 2010, Savoy Medical Management Group, Inc. became the successor-in-interest to Rapides Healthcare System, LLC. The annual lease payment was fixed at a sum of \$765,000 due in monthly installments of \$63,750. However, the monthly lease payments for the initial six months did not become due in full until July 2010. Beginning in July 2010, monthly lease payments were scheduled to resume. No lease payments were received during the fiscal year ended December 31, 2010. Lease payments resumed in January of 2011; however, due to cash flow issues, only five lease payments were made during 2012 and three lease payments were made during 2013.

Effective December 31, 2010, operational control of the cancer treatment facility owned by the Town of Mamou and reported in the Town of Mamou Cancer Center Building Fund was transferred to Savoy Medical Center. The Town maintains insurance coverage on this facility.



## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The Town also leases the premises, which includes the land, buildings, fixtures, improvements and equipment for the nursing home facility to MH3F Healthcare Management, LLC d/b/a Savoy Care Center Nursing Home. The lessees agree to pay all taxes, charges, costs and expenses including maintenance, repairs and utilities of the facilities.

Complete financial statements for the component unit may be obtained at the entity's administrative office (Savoy Medical Center, 801 Poinciana, Mamou, LA 70554).

These primary government financial statements of the Town of Mamou do not include the financial data of the component units described above. These component units' financial data is necessary for reporting in conformity with generally accepted accounting principles.

#### B. Basis of Presentation

##### Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except fiduciary funds and component units that are fiduciary in nature. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Town are described below:

#### Governmental Funds -

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

The Sales Tax Special Revenue Fund is used to account for the proceeds of two separate one percent sales and use taxes that are legally restricted to expenditures for specific purposes.

Additionally, the Town reports the following fund types:

#### Proprietary Funds –

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income, financial position, and cash flows. The following are the Town's proprietary fund types:

#### Enterprise funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town applies all applicable principles under the Governmental Accounting Standards Board (GASB) in accounting and reporting for its enterprise fund. The Town's enterprise fund is the Utility Fund.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Internal service funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency or other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. The Town's internal service is the Group Health Self Insurance Fund.

#### C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item 2. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

#### Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Town's general revenues.

#### D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

##### Cash, interest-bearing deposits, and investments

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town.

Under state law, the Town may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

For the purpose of the proprietary funds statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

##### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2013, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for customers' utility receivables was \$200,914 at December 31, 2013. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

#### Inventory

Inventory of the Utility Fund consists of natural gas being held as storage on behalf of the Town by the Louisiana Municipal Gas Authority and is valued at a price per MCF determined by the Louisiana Municipal Gas Authority. Supplies and parts on hand are considered immaterial and have been accounted for using the purchase method.

#### Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items.

#### Restricted Assets

Restricted assets include cash and interest-bearing deposits of the general fund and proprietary fund that are legally restricted as to their use. The restricted assets in the utility fund are related to the utility meter deposits. The restricted assets in the general fund are related to contingent liabilities arising out of workman's compensation claims in existence at the time the Town purchased the hospital.

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

#### Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of utility meter deposits payable and contingent liabilities arising out of workman's compensation claims in existence at the time the Town purchased the hospital.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

#### Compensated Absences

Sick leave is earned at the rate of one day for each month worked, with a limit of twelve days per year. An employee may not carry over or accumulate more than forty-eight days of sick leave from one year to another. Sick leave is not payable at termination of employment. Vacation leave is earned over an anniversary year basis at the rate of one day for each month worked, with a limit of twelve days per year. An employee may not carry over or accumulate vacation leave from one employment anniversary date to another.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

For fund financial statements, vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term liabilities.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At December 31, 2013, the Town had deferred inflows of resources totaling \$32,487 which represented unavailable delinquent ad valorem tax revenue. There were no deferred outflows of resources as of December 31, 2013.

#### Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

In the fund statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows:

1. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town's Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Town's Mayor and Board of Aldermen.
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in its commitment or assignment actions.

Proprietary fund equity is classified the same as in the government-wide statements.

#### E. Revenues, Expenditures, and Expenses

##### Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.



TOWN OF MAMOU, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character  
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3
Gas, water and sewer revenue	Utility operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

G. Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Town Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

#### H. Capitalization of Interest Expense

It is the policy of the Town of Mamou to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At December 31, 2013, there was no capitalized interest recorded on the books.

#### I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### J. Reclassifications

Certain previously reported amounts for the year December 31, 2012 have been reclassified to conform to the December 31, 2013 classifications.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### (2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended December 31, 2013, taxes of 19.75 mills were levied on property with assessed valuations totaling \$8,614,890 and were dedicated as follows:

General corporate purposes	7.30 mills
Streets and recreation maintenance	<u>12.45 mills</u>
Total	<u>19.75 mills</u>

Total taxes levied were \$170,144. Taxes receivable at December 31, 2013 were \$103,747.

#### (3) Sales and Use Tax

- A. Proceeds of the 1% sales and use tax levied by the Town of Mamou (2013 collections \$335,276) are dedicated for any lawful corporate purposes of the Town.
- B. Proceeds of the 1% sales and use tax levied by the Town of Mamou in 1991 (2013 collections \$335,276) are dedicated to the following purposes:

Thirty-five percent (35%) for any lawful corporate purposes of the Town; ten percent (10%) for inducing and attracting commerce, industry and tourism in the Town, including the acquisition and improvement of land and buildings there for; and fifty-five percent (55%) for constructing, acquiring, improving and /or extending any work of capital improvement for the Town.

#### (4) Cash, Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2013, the Town had cash and interest-bearing deposits (book balances) totaling \$2,017,357 as follows:

Demand deposits	\$ 151,702
Money market accounts	1,533,213
Time deposits	<u>332,442</u>
Total	<u>\$ 2,017,357</u>

# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at December 31, 2013, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 2,239,744</u>
Insured	\$ 863,575
Uninsured and collateral held by pledging bank not in Town's name	<u>1,376,169</u>
Total	<u>\$ 2,239,744</u>

Deposits in the amount of \$1,376,169 were exposed to custodial credit risk. The Town does not have a policy for custodial credit risk.

### (5) Receivables

Receivables at December 31, 2013 of \$399,843 consist of the following:

	Governmental Activities	Business type Activities	Total
Accounts	\$ -	\$ 369,928	\$ 369,928
Unbilled utility	-	88,526	88,526
Allowance for uncollectible accounts	-	(200,914)	(200,914)
Ad valorem	103,747	-	103,747
Franchise tax	38,298	-	38,298
Interest	15	35	50
Other	-	208	208
Totals	<u>\$ 142,060</u>	<u>\$ 257,783</u>	<u>\$ 399,843</u>

### (6) Due from Other Governmental Units

Amounts due from other governmental units of \$7,600 at December 31, 2013 consisted of the following:

General Fund:	
State of Louisiana - beer tax revenues receivable	\$ 1,868
Evangeline Parish Police Jury - state prisoner housing reimbursement	<u>5,732</u>
	<u>\$ 7,600</u>

# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (7) Restricted Assets

A. Restricted assets in the General Fund pertain to prior year hospital revenue claims and consisted of the following at December 31, 2013:

Worker's compensation claims deposits	<u>\$ 100,000</u>
---------------------------------------	-------------------

B. Restricted assets in the Enterprise Utility Fund consisted of the following at December 31, 2013:

Customers' deposits	<u>\$ 222,066</u>
---------------------	-------------------

### (8) Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Balance 01/01/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/13</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 269,650	\$ -	\$ -	\$ 269,650
Plaza mural	13,503	-	-	13,503
Construction in progress	19,625	-	19,625	-
Other capital assets:				
Buildings and improvements	3,120,253	44,570	-	3,164,823
Infrastructure	1,996,620	528,289	-	2,524,909
Equipment, furniture and fixtures	576,774	36,190	-	612,964
Vehicles	245,932	23,000	-	268,932
Totals	<u>6,242,357</u>	<u>632,049</u>	<u>19,625</u>	<u>6,854,781</u>
Less accumulated depreciation				
Buildings and improvements	878,832	87,838	-	966,670
Infrastructure	1,012,544	60,120	-	1,072,664
Equipment, furniture and fixtures	505,921	20,163	-	526,084
Vehicles	150,680	31,766	-	182,446
Total accumulated depreciation	<u>2,547,977</u>	<u>199,887</u>	<u>-</u>	<u>2,747,864</u>
Governmental activities, capital assets, net	<u>\$ 3,694,380</u>	<u>\$ 432,162</u>	<u>\$ 19,625</u>	<u>\$ 4,106,917</u>

# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

	Balance 01/01/13	Additions	Deletions	Balance 12/31/13
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 63,910	\$ -	\$ -	\$ 63,910
Construction in progress	15,250	-	15,250	-
Other capital assets:				
Gas system	455,037	-	-	455,037
Water system	2,448,722	53,500	-	2,502,222
Sewer system	3,944,134	11,759	-	3,955,893
Machinery and equipment	1,285,906	66,964	-	1,352,870
Totals	<u>8,212,959</u>	<u>132,223</u>	<u>15,250</u>	<u>8,329,932</u>
Less accumulated depreciation				
Gas system	455,037	-	-	455,037
Water system	1,850,784	72,120	-	1,922,904
Sewer system	2,011,673	114,018	-	2,125,691
Machinery and equipment	588,095	38,993	-	627,088
Total accumulated depreciation	<u>4,905,589</u>	<u>225,131</u>	<u>-</u>	<u>5,130,720</u>
Business-type activities, capital assets, net	<u>\$ 3,307,370</u>	<u>\$ (92,908)</u>	<u>\$ 15,250</u>	<u>\$ 3,199,212</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 28,911
Police	39,513
Highways and streets	56,239
Culture and recreation	75,166
Judicial	<u>58</u>
Total depreciation expense	<u>\$ 199,887</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 7,000
Water	75,453
Sewer	<u>142,678</u>
Total depreciation expense	<u>\$ 225,131</u>

TOWN OF MAMOU, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Accounts and Other Payables

The accounts and other payables consisted of the following at December 31, 2013:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 66,453	\$ 80,295	\$ 146,748
Salaries payable	22,625	4,220	26,845
Compensated absences payable	16,485	5,462	21,947
Totals	<u>\$ 105,563</u>	<u>\$ 89,977</u>	<u>\$ 195,540</u>

(10) Unavailable Revenues

Unavailable revenues are reported in governmental funds and represent revenue received more than 60 days following year end (and, therefore, unavailable to pay liabilities of the current period). Unavailable revenue received after 60 days is fully recognized as revenue in the government-wide financial statements. At December 31, 2013, governmental funds' revenues that have been earned but are unavailable totaled \$32,487 which was comprised of delinquent ad valorem tax revenue.

(11) Long-Term Debt

Revenue bonds - In 1999, the Town issued \$5,000,000 of revenue bonds for the construction of the Savoy Cancer Center facility. On January 19, 2006, the Town issued \$3,289,000 of revenue bonds, Series 2006, to refund \$3,170,000 of revenue bonds, Series 1999. These bonds are reported on the financial statements of Savoy Medical Management Group, Inc., a component unit of the Town (see Note 1). At December 31, 2013 there was \$293,000 of bonds outstanding.

(12) Employee Retirement

A. Social Security System

Employees of the Town of Mamou who are not eligible to participate in any other retirement system are members of the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the Town; 7.65 percent contributed by the employee). The Town's contributions during the years ending December 31, 2013, 2012 and 2011 amounted to \$76,843, \$85,064, and \$88,841, respectively.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description - All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, (225) 929-7411.

Funding Policy - Plan members are required by state statute to contribute 10.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 31% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending December 31, 2013, 2012, and 2011 were \$9,340, \$8,613, and \$5,346, respectively, equal to the required contributions for each year.

#### (13) Litigation and Claims

At December 31, 2013, the Town is involved in several lawsuits claiming damages. In the opinion of the Town's legal counsel, the only exposure to the Town would be any costs in defense of the lawsuits with no liability to the Town in excess of insurance coverage. The Town also has worker's compensation claims that are unlikely to be settled due to the individuals having permanent disabilities and are currently receiving medical care. The only exposure to the Town would be administrative fees with no liability in excess of insurance coverage. See Note 15.



## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### (14) Risk Management

##### A. Commercial Insurance Coverage

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. During March 2014, it was discovered that one of the Town's insurance policies insuring equipment was not renewed by the independent agent in 2011. Since that time, the Town paid the premiums directly to the agent and was provided falsified proof of coverage documents. Upon discovery, the matter was turned over to the District Attorney. The total amount of premiums paid by the Town for insurance coverage not in effect from February 2011 through March 2013 totaled \$59,406. As of the date of this report, the matter is not settled and it is unknown if the Town will receive any restitution from the insurance agent. As a result, no receivable has been recorded in these financial statements.

##### B. Group Self-Insurance

Effective July 1, 1998, the Town established a self-insurance health plan to account for and finance its uninsured risk of loss for commercial group health insurance. The plan is administered by Southern Benefit Services, and the plan year ends on June 30 of each year. Under this plan, Lloyds of London agreed to reimburse the Town for specific incurred claims related to any one covered employee or dependent which exceeds the retention by the Town, which is \$30,000. For the plan year ending June 30, 2013, Lloyds of London will reimburse the Town for aggregate incurred claims during the period of insurance less any amounts paid with respect to the specific incurred claims. No claims will be reimbursed until all claims in excess of the specific attachment point of \$338,593 exceed a corridor of the greater of the product of the enrollment times the factors of \$47.62 per employee or the annual corridor of \$20,000. Monthly payments are calculated based on the number of employees with single coverage multiplied by a funding factor of \$604 and the number of employees with family coverage multiplied by a funding factor of \$1,488. The Town currently funds the plan based upon actual claims incurred instead of the funding factors discussed above.

The General and Utility Funds of the Town participate in the program and make payments to the Self-Insurance Fund based upon amounts needed to pay prior and current year claims. The claims liability of \$31,181 reported in the fund at December 31, 2013 is based on the loss that is probable at the date of the financial statements and the amount of the loss that can be reasonably estimated. The Town currently does not discount its claims liabilities.

TOWN OF MAMOU, LOUISIANA

Notes to Basic Financial Statements (Continued)

Reconciliation of Claims Liabilities

Claims payable, January 1, 2013	\$ 37,859
Insurance claims incurred for year ended December 31, 2013	160,223
Payments made for the year ended December 31, 2013	<u>(164,901)</u>
Claims payable, December 31, 2013	<u>\$ 33,181</u>

Claims payable of \$33,181 at December 31, 2013 was determined as follows:

A. Claims incurred prior to December 31, 2013 and paid in January 1, 2014 through March 31, 2014	\$ 26,908
B. Provision for claims incurred but not reported	<u>6,273</u>
Total claims payable	<u>\$ 33,181</u>

The provision for claims incurred but not reported of \$6,273 was calculated utilizing historical information adjusted for current trends.

(15) Contingent Liabilities

At December 31, 2013, the Town had contingent liabilities in the amount of \$25,000 consisting of workers' compensation claims which are the result of the prior operations of the hospital facility owned by the Town. The Town has certificates of deposit totaling \$100,000 held as security for these claims.

(16) Enterprise Fund Contracts

The Town of Mamou, under contract dated January 1, 1997, is required to purchase its natural gas from the Louisiana Municipal Gas Authority. The contract automatically renews annually unless notice is given in writing six months in advance. The Town purchased natural gas during the year ended December 31, 2013 in the amount of \$354,636 of which \$49,857 was owed for purchases for the month of December 2013.

# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (17) Segment Information for the Enterprise Fund

The Town of Mamou maintains one enterprise fund with three departments, which provide gas, water, and sewerage services. Segment information for the year ended December 31, 2013, was as follows:

	Gas Department	Water Department	Sewer Department	Total Enterprise Fund
Operating revenues	<u>\$ 868,584</u>	<u>\$ 535,591</u>	<u>\$ 465,596</u>	<u>\$ 1,869,771</u>
Operating expenses:				
Depreciation	7,000	75,453	142,678	225,131
Other	<u>596,038</u>	<u>277,147</u>	<u>239,719</u>	<u>1,112,904</u>
Total operating expenses	<u>603,038</u>	<u>352,600</u>	<u>382,397</u>	<u>1,338,035</u>
Operating income	<u>\$ 265,546</u>	<u>\$ 182,991</u>	<u>\$ 83,199</u>	<u>\$ 531,736</u>

### (18) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2013 follows:

Ricky Fontenot, Mayor	\$ 24,000
Aldermen:	
Leisa Deshotel	9,000
Freddie Matthew	9,000
Scott Christ	9,000
Charles Reed	9,000
Robin Young	<u>9,000</u>
Total	<u>\$ 69,000</u>

# TOWN OF MAMOU, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (19) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at December 31, 2013 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ -	\$ 133,190
Sales Tax Fund	17,399	-
Proprietary funds:		
Enterprise Fund	87,910	-
Group Health Self-Insurance Internal Service Fund	<u>27,881</u>	<u>-</u>
Total	<u>\$ 133,190</u>	<u>\$ 133,190</u>

The receivable in the Group Health Self-Insurance Fund is for amounts owed from various other funds for their share of health insurance premiums. The amounts due from the General Fund to various other funds are for short-term loans.

B. Transfers consisted of the following at December 31, 2013:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$1,269,644	\$ -
Sales Tax Special Revenue Fund	<u>-</u>	<u>592,227</u>
Total governmental funds	1,269,644	592,227
Proprietary funds:		
Enterprise Fund	<u>-</u>	<u>677,417</u>
Total	<u>\$1,269,644</u>	<u>\$1,269,644</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## TOWN OF MAMOU, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### (20) Operating Lease Revenues

The Town has negotiated the lease of Savoy Medical Center and Savoy Care Center Nursing Home. Effective January 1, 2010, the Town agreed to lease Savoy Medical Center to Savoy Medical Management Group, Inc. for an initial primary term of 5 years beginning January 1, 2010 with options for four additional terms of five years each. In the lease agreement addendum the Town agreed to defer the monthly lease payments of \$63,750 for a period of six months beginning January 1, 2010 to help the new operators (Savoy Medical Management Group, Inc.) build working capital. The Town received all lease payments in 2011, five lease payments in 2012, and three lease payments in 2013.

Under the Savoy Care Center Nursing Home agreement commencing on February 1, 2005, the Town received \$18,525 per month through March 2010. The Town received \$18,378 per month from April 2010 through March 2013. Beginning in April 2013, the Town will receive \$36,200 per month through March 2018.

#### (21) Economic Dependency

The Town of Mamou owns a hospital facility and nursing home within the Town. The hospital is leased to Savoy Medical Management Group, Inc. operating as Savoy Medical Center for \$765,000 per year. (See Note 1.A.4) The nursing home is leased to MH3F Healthcare Management, LLC operating as Savoy Care Center Nursing Home for \$386,933 per year for 2013. In 2014, this amount will increase to \$434,400. These leases provide a significant portion of the Town's total revenues. If the Town were to cease receiving these lease revenues, the Town's ability to continue to provide services at present levels would be threatened.

#### (22) New Accounting Pronouncements

During the fiscal year ended December 31, 2013, the Town of Mamou, Louisiana adopted GASB 65, "Items Previously Reported as Assets and Liabilities" which clarified the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 67, "Financial Reporting for Pension Plans" and Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the applicable retirement systems for the year ending June 30, 2014 and the provisions of GASB Statement No. 68 must be implemented by the Town for the year ending December 31, 2015. The effect of the implementation of these statements on the Town's financial statements has not yet been determined.

#### (22) Subsequent Event Review

The Town has evaluated subsequent events through June 16, 2014, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 355,000	\$ 331,600	\$ 304,609	\$ (26,991)
Licenses and permits	145,000	147,000	143,189	(3,811)
Intergovernmental	107,000	40,000	58,280	18,280
Fines and forfeits	60,000	89,000	82,617	(6,383)
Miscellaneous	<u>1,056,000</u>	<u>617,883</u>	<u>668,570</u>	<u>50,687</u>
Total revenues	<u>1,723,000</u>	<u>1,225,483</u>	<u>1,257,265</u>	<u>31,782</u>
Expenditures:				
Current -				
General government:				
Administrative	756,000	699,180	632,504	66,676
Public safety:				
Police	634,000	671,300	704,102	(32,802)
Highways and streets	509,000	474,800	435,736	39,064
Culture and recreation	141,000	140,000	138,703	1,297
Judicial	36,000	36,700	43,284	(6,584)
Capital outlay	<u>-</u>	<u>31,070</u>	<u>16,070</u>	<u>15,000</u>
Total expenditures	<u>2,076,000</u>	<u>2,053,050</u>	<u>1,970,399</u>	<u>82,651</u>
Deficiency of revenues over expenditures	<u>(353,000)</u>	<u>(827,567)</u>	<u>(713,134)</u>	<u>114,433</u>
Other financing sources (uses):				
Transfers from -				
Utility Fund	520,000	670,900	677,417	6,517
Sales Tax Fund	450,000	450,000	592,227	142,227
Transfer to component unit	<u>(445,000)</u>	<u>(445,000)</u>	<u>(509,334)</u>	<u>(64,334)</u>
Total other financing sources (uses)	<u>525,000</u>	<u>675,900</u>	<u>760,310</u>	<u>84,410</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	172,000	(151,667)	47,176	198,843
Fund balance, beginning	<u>621,447</u>	<u>621,447</u>	<u>621,447</u>	<u>-</u>
Fund balance, ending	<u>\$ 793,447</u>	<u>\$ 469,780</u>	<u>\$ 668,623</u>	<u>\$ 198,843</u>

TOWN OF MAMOU, LOUISIANA  
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2013

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 670,408	\$ 688,572	\$ 670,552	\$ (18,020)
Intergovernmental	-	486,928	513,128	26,200
Miscellaneous -				
Interest	2,000	1,100	1,065	(35)
Other	-	1,300	4,612	3,312
Total revenues	<u>672,408</u>	<u>1,177,900</u>	<u>1,189,357</u>	<u>11,457</u>
Expenditures:				
Current -				
General government	43,408	59,772	80,471	(20,699)
Capital outlay	<u>240,000</u>	<u>854,000</u>	<u>637,065</u>	<u>216,935</u>
Total expenditures	<u>283,408</u>	<u>913,772</u>	<u>717,536</u>	<u>196,236</u>
Excess of revenues over expenditures	389,000	264,128	471,821	207,693
Other financing uses:				
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(592,227)</u>	<u>(142,227)</u>
Deficiency of revenues over expenditures and other uses	(61,000)	(185,872)	(120,406)	65,466
Fund balances, beginning	<u>756,787</u>	<u>756,787</u>	<u>756,787</u>	<u>-</u>
Fund balances, ending	<u>\$ 695,787</u>	<u>\$ 570,915</u>	<u>\$ 636,381</u>	<u>\$ 65,466</u>



## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER FINANCIAL INFORMATION**

TOWN OF MAMOU, LOUISIANA

Statement of Net Position  
December 31, 2013  
With Comparative Totals for December 31, 2012

	2013			2012
	Governmental	Business-Type	Total	Totals
	Activities	Activities		
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$1,282,105	\$ 413,186	\$1,695,291	\$1,703,110
Receivables, net	142,060	257,783	399,843	347,579
Due from other governmental units	7,600	-	7,600	4,233
Inventory	-	11,670	11,670	23,225
Prepaid items	44,929	10,985	55,914	64,471
Total current assets	<u>1,476,694</u>	<u>693,624</u>	<u>2,170,318</u>	<u>2,142,618</u>
Noncurrent assets:				
Restricted assets -				
Cash and interest-bearing deposits	100,000	222,066	322,066	318,575
Capital assets, net	<u>4,106,917</u>	<u>3,199,212</u>	<u>7,306,129</u>	<u>7,001,750</u>
Total noncurrent assets	<u>4,206,917</u>	<u>3,421,278</u>	<u>7,628,195</u>	<u>7,320,325</u>
Total assets	<u>5,683,611</u>	<u>4,114,902</u>	<u>9,798,513</u>	<u>9,462,943</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and other payables	105,563	89,977	195,540	168,792
Claims payable	33,181	-	33,181	37,859
Advances from grantors	-	-	-	7,390
Internal balances	<u>87,910</u>	<u>(87,910)</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>226,654</u>	<u>2,067</u>	<u>228,721</u>	<u>214,041</u>
Noncurrent liabilities:				
Customers deposits payable	-	222,066	222,066	218,575
Contingent liabilities	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total noncurrent liabilities	<u>25,000</u>	<u>222,066</u>	<u>247,066</u>	<u>243,575</u>
Total liabilities	<u>251,654</u>	<u>224,133</u>	<u>475,787</u>	<u>457,616</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	4,106,917	3,199,212	7,306,129	7,001,750
Restricted for debt service	75,000	-	75,000	75,000
Unrestricted	<u>1,250,040</u>	<u>691,557</u>	<u>1,941,597</u>	<u>1,928,577</u>
Total net position	<u>\$5,431,957</u>	<u>\$3,890,769</u>	<u>\$9,322,726</u>	<u>\$9,005,327</u>

TOWN OF MAMOU, LOUISIANA

Balance Sheet  
Governmental Funds  
December 31, 2013  
With Comparative Amounts as of December 31, 2012

	2013			
	General	Sales Tax Special Revenue	Total	2012
ASSETS				
Cash	\$ 143,211	\$ -	\$ 143,211	\$ 149,080
Interest-bearing deposits	510,470	619,934	1,130,404	1,152,339
Receivables:				
Taxes	142,045	-	142,045	115,896
Accrued interest	15	-	15	18
Other	-	-	-	159
Due from other funds	-	17,399	17,399	97,881
Due from other governmental units	7,600	-	7,600	4,233
Prepaid expenses	35,570	-	35,570	40,728
Restricted cash:				
Interest-bearing deposits	100,000	-	100,000	100,000
Total assets	<u>\$ 938,911</u>	<u>\$ 637,333</u>	<u>\$ 1,576,244</u>	<u>\$ 1,660,334</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts and other payables	\$ 88,126	\$ 952	\$ 89,078	\$ 89,477
Compensated absences payable	16,485	-	16,485	19,919
Advances from grantors	-	-	-	7,390
Due to other funds	133,190	-	133,190	168,314
Total liabilities	<u>237,801</u>	<u>952</u>	<u>238,753</u>	<u>285,100</u>
Deferred inflows of resources:				
Unavailable revenue - delinquent ad valorem taxes	<u>32,487</u>	<u>-</u>	<u>32,487</u>	<u>-</u>
Fund balances -				
Nonspendable	35,570	-	35,570	40,728
Restricted - sales tax dedications	-	636,381	636,381	756,787
Restricted - worker's compensation claims	100,000	-	100,000	100,000
Unassigned	533,053	-	533,053	480,719
Total fund balances	<u>668,623</u>	<u>636,381</u>	<u>1,305,004</u>	<u>1,378,234</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 938,911</u>	<u>\$ 637,333</u>	<u>\$ 1,576,244</u>	<u>\$ 1,663,334</u>

# TOWN OF MAMOU, LOUISIANA

## Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds

For the Year Ended December 31, 2013

With Comparative Actual Amounts for the Year Ended December 31, 2012

	2013			
	General	Sales Tax Special Revenue	Total	2012
<b>Revenues:</b>				
Taxes	\$ 304,609	\$ 670,552	\$ 975,161	\$ 999,006
Licenses and permits	143,189	-	143,189	146,563
Intergovernmental	58,280	513,128	571,408	146,091
Fines and forfeits	82,617	-	82,617	431,322
Miscellaneous	668,570	5,677	674,247	730,426
Total revenues	<u>1,257,265</u>	<u>1,189,357</u>	<u>2,446,622</u>	<u>2,453,408</u>
<b>Expenditures:</b>				
Current -				
General government:				
Administrative	632,504	80,471	712,975	970,431
Public safety:				
Police	704,102	-	704,102	1,011,765
Highways and streets	435,736	-	435,736	375,034
Culture and recreation	138,703	-	138,703	134,131
Judicial	43,284	-	43,284	64,960
Capital outlay	16,070	637,065	653,135	213,528
Total expenditures	<u>1,970,399</u>	<u>717,536</u>	<u>2,687,935</u>	<u>2,769,849</u>
Excess (deficiency) of revenues over expenditures	<u>(713,134)</u>	<u>471,821</u>	<u>(241,313)</u>	<u>(316,441)</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,269,644	-	1,269,644	1,907,644
Transfers out	-	(592,227)	(592,227)	(587,314)
Transfers in (out) - component unit	(509,334)	-	(509,334)	(474,700)
Total other financing sources (uses)	<u>760,310</u>	<u>(592,227)</u>	<u>168,083</u>	<u>845,630</u>
Net changes in fund balances	47,176	(120,406)	(73,230)	529,189
Fund balances, beginning	<u>621,447</u>	<u>756,787</u>	<u>1,378,234</u>	<u>849,045</u>
Fund balances, ending	<u>\$ 668,623</u>	<u>\$ 636,381</u>	<u>\$1,305,004</u>	<u>\$1,378,234</u>

TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended December 31, 2013  
With Comparative Actual Amounts for the Year Ended December 31, 2012

	2013			Variance with Final Budget	2012
	Budget		Actual	Positive (Negative)	Actual
	Original	Final			
Taxes:					
Ad valorem	\$ 190,000	\$ 180,000	\$ 140,506	\$ (39,494)	\$ 180,670
Franchise -					
Electric	128,000	114,600	130,003	15,403	114,792
Telephone	16,000	16,000	14,251	(1,749)	15,864
Cable TV	21,000	21,000	19,849	(1,151)	20,284
Total taxes	355,000	331,600	304,609	(26,991)	331,610
Licenses and permits:					
Occupational licenses	143,000	145,000	142,008	(2,992)	142,773
Permits	2,000	2,000	1,181	(819)	3,790
Total licenses and permits	145,000	147,000	143,189	(3,811)	146,563
Intergovernmental:					
Federal grants -					
USDA	-	-	-	-	37,260
Dept. of Justice ARRA	-	-	-	-	4,413
State of Louisiana -					
Beer taxes	7,000	7,800	7,863	63	8,135
Highway maintenance	5,000	5,000	5,000	-	5,000
DARE	5,000	2,000	3,438	1,438	18,961
State grants	65,000	2,600	8,190	5,590	16,957
Housing of state prisoners	25,000	22,600	29,488	6,888	49,365
Housing Authority	-	-	4,301	4,301	6,000
Total intergovernmental	107,000	40,000	58,280	18,280	146,091
Fines and forfeits:					
Fines and court costs	60,000	89,000	82,617	(6,383)	431,322
Miscellaneous:					
Interest	2,000	1,000	1,391	391	2,073
Hospital lease revenue	765,000	191,250	191,250	-	318,750
Nursing home lease revenue	244,000	386,933	386,933	-	244,550
Hospital workers compensation recoveries	-	400	51,544	51,144	61,680
Recreation complex	10,000	9,500	9,415	(85)	9,200
Other sources	35,000	28,800	28,037	(763)	78,182
Total miscellaneous	1,056,000	617,883	668,570	50,687	714,435
Total revenues	\$1,723,000	\$1,225,483	\$1,257,265	\$ 31,782	\$1,770,021

TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended December 31, 2013  
With Comparative Actual Amounts for the Year Ended December 31, 2012

	2013			Variance with Final Budget	2012
	Budget		Actual	Positive	Actual
	Original	Final		(Negative)	
Current:					
General government -					
Administrative:					
Mayor and council salaries	\$ 69,000	\$ 69,000	\$ 69,000	\$ -	\$ 69,000
Other salaries and wages	206,000	230,400	225,207	5,193	189,923
Group insurance	50,000	60,000	59,160	840	69,151
Insurance	100,000	86,700	44,288	42,412	44,766
Payroll taxes	25,000	25,000	24,474	526	22,354
Materials and supplies	26,000	27,700	35,009	(7,309)	28,072
Advertisements and recordings	5,000	5,000	4,876	124	7,802
Legal fees	26,000	18,000	26,544	(8,544)	169,526
Accounting and auditing	15,000	15,000	13,110	1,890	13,030
Professional fees	189,000	119,480	71,430	48,050	171,838
Miscellaneous	11,000	11,600	17,877	(6,277)	24,014
Utilities and telephone	15,000	16,300	16,499	(199)	14,398
Repairs and maintenance	16,000	11,000	7,009	3,991	11,472
Training	3,000	4,000	7,984	(3,984)	3,573
Hospital workers' comp claims	-	-	10,037	(10,037)	78,253
Total administrative	<u>756,000</u>	<u>699,180</u>	<u>632,504</u>	<u>66,676</u>	<u>917,172</u>
Public safety -					
Police:					
Salaries	284,000	305,300	324,491	(19,191)	457,449
Payroll taxes	30,000	30,000	31,292	(1,292)	42,792
Retirement contribution	9,000	9,500	9,341	159	8,613
Group insurance	60,000	75,000	109,883	(34,883)	138,302
Utilities and telephone	32,000	25,000	27,531	(2,531)	32,993
Insurance	110,000	113,800	109,841	3,959	135,204
Auto	54,000	36,200	32,327	3,873	60,514
Gas and repairs	18,000	16,000	9,751	6,249	19,726
Professional fees	-	4,000	4,191	(191)	980
Court and lab fees	5,000	12,000	10,825	1,175	50,672
Miscellaneous	10,000	15,200	11,828	3,372	23,952
Supplies	20,000	27,300	21,788	5,512	38,498
Training	<u>2,000</u>	<u>2,000</u>	<u>1,013</u>	<u>987</u>	<u>2,070</u>
Total police department	<u>634,000</u>	<u>671,300</u>	<u>704,102</u>	<u>(32,802)</u>	<u>1,011,765</u>

(continued)

TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended December 31, 2013  
With Comparative Actual Amounts for the Year Ended December 31, 2012

	2013			Variance with Final Budget	2012
	Budget		Actual	Positive	Actual
	Original	Final		(Negative)	
Highways and streets -					
Salaries	175,000	148,600	152,689	(4,089)	111,643
Payroll taxes	15,000	13,500	13,584	(84)	10,121
Maintenance and supplies	59,000	68,000	68,692	(692)	64,083
Lighting	47,000	58,000	58,255	(255)	47,594
Group insurance	20,000	20,000	16,899	3,101	29,637
Telephone	5,000	3,000	2,894	106	3,469
Insurance	135,000	120,000	74,015	45,985	70,591
Miscellaneous	15,000	22,000	21,644	356	15,570
Auto	35,000	18,000	18,353	(353)	20,295
Equipment rental	1,000	1,500	1,687	(187)	378
Professional fees	2,000	2,200	7,024	(4,824)	1,653
Total highways and streets	509,000	474,800	435,736	39,064	375,034
Culture and recreation -					
Repairs and maintenance	9,000	20,000	23,904	(3,904)	17,104
Materials and supplies	15,000	14,000	15,608	(1,608)	14,283
Auto	1,000	1,000	793	207	991
Utilities and telephone	48,000	46,000	45,487	513	47,005
Insurance	64,000	55,000	51,121	3,879	51,640
Miscellaneous	1,000	1,000	590	410	13
Cleaning and janitorial	3,000	3,000	1,200	1,800	3,095
Total culture and recreation	141,000	140,000	138,703	1,297	134,131
Judicial -					
Salaries	17,000	14,600	14,047	553	35,960
Payroll taxes	3,000	1,200	1,161	39	3,062
Insurance	-	200	231	(31)	551
Group insurance	-	-	8,463	(8,463)	9,878
Materials and supplies	2,000	700	892	(192)	1,442
Repairs and maintenance	-	-	-	-	95
Telephone	2,000	2,000	2,000	-	1,972
Professional fees	12,000	18,000	16,490	1,510	12,000
Total judicial	36,000	36,700	43,284	(6,584)	64,960

(continued)



TOWN OF MAMOU, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended December 31, 2013  
With Comparative Actual Amounts for the Year Ended December 31, 2012

	2013			Variance with Final Budget Positive (Negative)	2012 Actual
	Budget		Actual		
	Original	Final			
Capital outlay:					
General government:					
Building improvements	-	13,000	13,000	-	51,970
Public safety -					
Police:					
Vehicles and equipment	-	18,070	3,070	15,000	49,206
Total capital outlay	-	31,070	16,070	15,000	101,176
Total expenditures	\$2,076,000	\$2,053,050	\$1,970,399	\$ 82,651	\$2,604,238

TOWN OF MAMOU, LOUISIANA  
Special Revenue Fund  
Sales Tax Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2013  
With Comparative Actual Amounts for the Year Ended December 31, 2012

	2013			Variance with Final Budget	2012
	Budget			Positive (Negative)	Actual
	Original	Final	Actual		
Revenues:					
Taxes	\$ 670,408	\$ 688,572	\$ 670,552	\$ (18,020)	\$ 667,396
Intergovernmental:					
LCDBG	-	486,928	486,928	-	-
LGAP	-	-	26,200	26,200	-
Miscellaneous:					
Interest	2,000	1,100	1,065	(35)	1,866
Other	-	1,300	4,612	3,312	14,125
Total revenues	<u>672,408</u>	<u>1,177,900</u>	<u>1,189,357</u>	<u>11,457</u>	<u>683,387</u>
Expenditures:					
Current -					
General government:					
Audit and accounting	-	-	6,790	(6,790)	6,890
Miscellaneous	13,408	13,772	13,469	303	13,369
Industry and tourism inducement	<u>30,000</u>	<u>46,000</u>	<u>60,212</u>	<u>(14,212)</u>	<u>33,000</u>
Total general government	<u>43,408</u>	<u>59,772</u>	<u>80,471</u>	<u>(20,699)</u>	<u>53,259</u>
Capital outlay -					
General government:					
Furniture	-	2,500	2,480	20	-
Public safety:					
Building improvements	12,000	12,000	11,945	55	19,625
Highways and streets:					
Street improvements	173,000	785,500	569,000	216,500	58,700
Vehicles	25,000	23,000	23,000	-	-
Equipment	10,000	11,000	10,640	360	-
Culture and recreation:					
Walking trail	-	-	-	-	31,544
Equipment	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>2,483</u>
Total capital outlay	<u>240,000</u>	<u>854,000</u>	<u>637,065</u>	<u>216,935</u>	<u>112,352</u>
Total expenditures	<u>283,408</u>	<u>913,772</u>	<u>717,536</u>	<u>196,236</u>	<u>165,611</u>
Excess of revenues over expenditures	389,000	264,128	471,821	207,693	517,776
Other financing sources:					
Transfers to -					
General Fund	<u>(450,000)</u>	<u>(450,000)</u>	<u>(592,227)</u>	<u>(142,227)</u>	<u>(587,314)</u>
Deficiency of revenues over expenditures and other uses	(61,000)	(185,872)	(120,406)	65,466	(69,538)
Fund balance, beginning	<u>756,787</u>	<u>756,787</u>	<u>756,787</u>	<u>-</u>	<u>826,325</u>
Fund balance, ending	\$ 695,787	\$ 570,915	\$ 636,381	\$ 65,466	\$ 756,787

TOWN OF MAMOU, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
December 31, 2013

Records maintained by the Town indicated the following number of customers were being serviced during the month of December 2013 and 2012:

<u>Department</u>	<u>2013</u>	<u>2012</u>
Gas (metered)	1,004	1,027
Water	1,721	1,717
Sewerage	1,258	1,267

# TOWN OF MAMOU, LOUISIANA

## Schedule of Insurance In Force (Unaudited) December 31, 2013

Description of Coverage	Coverage Amounts
Workmen's compensation -	Statutory
Employer's liability- policy limit	500,000
Bodily injury by accident	100,000
Bodily injury by disease	100,000
Surety bonds -	
Fidelity bond	185,000
Commercial general liability -	
Premises/operations	500,000
Products/completed operations	500,000
Medical payments per person	1,000
Medical payments per accident	10,000
Fire legal liability	50,000
Law enforcement officers' comprehensive liability	500,000
Automobile liability	500,000
Public officials' errors and omissions liability	500,000
Commercial fire and extended coverage -	
Buildings	6,521,770
Contents	3,673,100
Vehicle physical damage	103,385

# TOWN OF MAMOU, LOUISIANA

## Combined Schedule of Interest-Bearing Deposits - All Funds December 31, 2013

		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
<b>Major Governmental Funds:</b>				
General Fund -				
Certificate of Deposit - Worker's Comp Security	(C)	0.55%	11/21/14	\$ 100,000
Savings Account - Hospital Revenue	(J)	0.25%	N/A	127,749
Interest-bearing checking - General	(J)	0.10%	N/A	358,644
Interest-bearing checking - Payroll	(J)	0.05%	N/A	23,248
Interest-bearing checking - Insurance Contingency	(S)	0.20%	N/A	829
Total General Fund				<u>610,470</u>
Special Revenue Funds -				
Sales Tax Fund				
Interest-bearing checking - Sales Tax Fund	(S)	0.15%	N/A	605,023
Interest-bearing checking - Construction Account	(S)	0.20%	N/A	14,911
Total Sales Tax Fund				<u>619,934</u>
Total Governmental Funds				<u>1,230,404</u>
<b>Proprietary Fund:</b>				
Utility Fund:				
Operating Account -				
Interest-bearing checking	(C)	0.15%	N/A	183,788
Certificate of Deposit	(J)	0.20%	03/16/14	49,240
Water Revenue Fund -				
Interest-bearing checking	(S)	0.15%	N/A	47,069
Interest-bearing checking	(S)	0.20%	N/A	32,045
Meter Deposit Fund -				
Certificate of Deposit	(S)	0.35%	07/28/14	183,202
Interest-bearing checking	(J)	0.10%	N/A	139,907
Total Proprietary Fund				<u>635,251</u>
Total Interest-bearing Deposits and Investments - All Funds				<u>\$ 1,865,655</u>

Certificates of deposit, savings account and interest-bearing checking accounts with ---

(C) Citizens Bank, Ville Platte, Louisiana

(J) Jeff Davis Bank, Mamou, Louisiana

(S) Sabine State Bank, Many, Louisiana

TOWN OF MAMOU, LOUISIANA

Comparative Statement of Net Position  
Proprietary Funds  
December 31, 2013 and 2012

ASSETS	Business-type Activities -		Governmental Activities -	
	Enterprise Fund		Internal Service Fund	
	2013	2012	2013	2012
Current assets:				
Cash	\$ 1	\$ 1	\$ 8,490	\$ 5,996
Interest-bearing deposits	413,185	395,694	-	-
Receivables -				
Accounts, net	169,014	158,098	-	-
Unbilled utility receivables	88,526	73,192	-	-
Accrued interest receivable	35	8	-	-
Other	208	208	-	-
Due from other funds	87,910	42,552	27,881	27,881
Inventory - natural gas	11,670	23,225	-	-
Prepaid items	10,985	13,175	9,359	10,568
Total current assets	<u>781,534</u>	<u>706,153</u>	<u>45,730</u>	<u>44,445</u>
Noncurrent assets:				
Restricted assets -				
Interest-bearing deposits	222,066	218,575	-	-
Capital assets, net of accumulated depreciation	3,199,212	3,307,370	-	-
Total noncurrent assets	<u>3,421,278</u>	<u>3,525,945</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,202,812</u>	<u>4,232,098</u>	<u>45,730</u>	<u>44,445</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	84,515	58,409	-	-
Compensated absences payable	5,462	3,987	-	-
Claims payable	-	-	33,181	37,859
Total current liabilities	<u>89,977</u>	<u>62,396</u>	<u>33,181</u>	<u>37,859</u>
Noncurrent liabilities:				
Customers' deposits	222,066	218,575	-	-
Total liabilities	<u>312,043</u>	<u>280,971</u>	<u>33,181</u>	<u>37,859</u>
NET POSITION				
Invested in capital assets, net of related debt	3,199,212	3,307,370	-	-
Unrestricted	691,557	643,757	12,549	6,586
Total net position	<u>\$3,890,769</u>	<u>\$3,951,127</u>	<u>\$12,549</u>	<u>\$ 6,586</u>

# TOWN OF MAMOU, LOUISIANA

## Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds

Years Ended December 31, 2013 and 2012

	<u>Business-type Activities-</u> <u>Enterprise Fund</u>		<u>Governmental Activities-</u> <u>Internal Service Fund</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Operating revenues:				
Charges for services	\$1,796,195	\$1,724,748	\$289,145	\$361,940
Permits, reconnections and penalties	59,606	63,729	-	-
Miscellaneous	13,970	13,519	-	-
Total operating revenues	<u>1,869,771</u>	<u>1,801,996</u>	<u>289,145</u>	<u>361,940</u>
Operating expenses:				
Gas department expenses	596,038	505,073	-	-
Water department expenses	277,147	272,914	-	-
Sewerage department expenses	239,719	252,001	-	-
Depreciation expense	225,131	232,430	-	-
Self insurance expenses	-	-	283,182	357,463
Total operating expenses	<u>1,338,035</u>	<u>1,262,418</u>	<u>283,182</u>	<u>357,463</u>
Operating income	531,736	539,578	5,963	4,477
Nonoperating revenues (expenses):				
Interest income	<u>1,823</u>	<u>1,889</u>	<u>-</u>	<u>-</u>
Income before contributions and transfers	533,559	541,467	5,963	4,477
Capital contributions	<u>83,500</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Income before transfers	617,059	576,467	5,963	4,477
Transfers out	<u>(677,417)</u>	<u>(1,320,330)</u>	<u>-</u>	<u>-</u>
Change in net assets	(60,358)	(743,863)	5,963	4,477
Net position, beginning	<u>3,951,127</u>	<u>4,694,990</u>	<u>6,586</u>	<u>2,109</u>
Net position, ending	<u>\$3,890,769</u>	<u>\$3,951,127</u>	<u>\$ 12,549</u>	<u>\$ 6,586</u>

TOWN OF MAMOU, LOUISIANA

Enterprise Fund

Utility Fund

Departmental Analysis of Revenues and Expenses

Years Ended December 31, 2013 and 2012

	Totals		Gas		Water		Sewer	
	2013	2012	2013	2012	2013	2012	2013	2012
Operating revenues:								
Customers service charges	\$1,796,195	\$1,724,748	\$ 831,086	\$ 764,226	\$ 517,320	\$ 511,072	\$ 447,789	\$ 449,450
Permits, reconnections and penalties	59,606	63,729	27,418	28,041	17,286	19,119	14,902	16,569
Miscellaneous	13,970	13,519	10,080	9,134	985	1,885	2,905	2,500
Total operating revenues	<u>1,869,771</u>	<u>1,801,996</u>	<u>868,584</u>	<u>801,401</u>	<u>535,591</u>	<u>532,076</u>	<u>465,596</u>	<u>468,519</u>
Operating expenses:								
Salaries	184,324	195,906	70,702	77,619	56,269	54,885	57,353	63,402
Payroll taxes	15,269	16,769	5,954	6,702	4,683	4,643	4,632	5,424
Group Insurance	67,596	79,033	21,117	24,698	21,117	24,698	25,362	29,637
Gas purchased	354,636	255,797	354,636	255,797	-	-	-	-
Maintenance and supplies	167,340	152,793	60,793	56,337	64,736	55,591	41,811	40,865
Safe water drinking fee	4,752	4,752	-	-	4,752	4,752	-	-
Lab fees	7,440	5,700	-	-	1,015	1,175	6,425	4,525
Depreciation expense	225,131	232,430	7,000	16,867	75,453	75,526	142,678	140,037
Utilities	137,051	133,927	6,365	5,704	76,757	74,555	53,929	53,668
Telephone	6,785	6,618	3,206	3,365	-	-	3,579	3,253
Truck operation	26,090	28,378	10,755	12,655	7,363	7,409	7,972	8,314
Bad debt expense (recovery)	(2,847)	10,061	(1,550)	4,941	(804)	3,119	(493)	2,001
Insurance	76,157	82,891	22,169	26,428	25,961	27,501	28,027	28,962
Miscellaneous	4,007	6,510	1,377	4,077	1,334	1,237	1,296	1,196
Professional fees	60,028	47,373	40,514	26,750	12,034	11,254	7,480	9,369
Training	4,276	3,480	-	-	1,930	2,095	2,346	1,385
Total operating expenses	<u>1,338,035</u>	<u>1,262,418</u>	<u>603,038</u>	<u>521,940</u>	<u>352,600</u>	<u>348,440</u>	<u>382,397</u>	<u>392,038</u>
Operating income	<u>\$ 531,736</u>	<u>\$ 539,578</u>	<u>\$ 265,546</u>	<u>\$ 279,461</u>	<u>\$ 182,991</u>	<u>\$ 183,636</u>	<u>\$ 83,199</u>	<u>\$ 76,481</u>



**INTERNAL CONTROL,  
COMPLIANCE, AND  
OTHER MATTERS**

C. Burton Kolder, CPA\*  
 Russell F. Champagne, CPA\*  
 Victor R. Slaven, CPA\*  
 Gerald A. Thibodeaux, Jr., CPA\*  
 Robert S. Carter, CPA\*  
 Arthur R. Mixon, CPA\*  
 Penny Angelle Scruggins, CPA  
 Christine C. Doucet, CPA  
 Wanda F. Arcement, CPA, CVA

Stephen J. Anderson, CPA  
 Cheryl L. Bartley, CPA  
 Bryan K. Joubert, CPA  
 Matthew E. Margaglio, CPA  
 Allen J. LaBry, CPA  
 Albert R. Leger, CPA, PFS, CSA\*  
 Marshall W. Guidry, CPA  
 Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®  
 James R. Roy, CPA  
 Robert J. Metz, CPA  
 Alan M. Taylor, CPA  
 Kelly M. Doucet, CPA  
 Mandy B. Self, CPA  
 Paul L. Delcambre, Jr., CPA  
 Kristin B. Deuzat, CPA  
 Jane R. Hebert, CPA  
 W. Jeffrey Lowry, CPA  
 Brad E. Kolder, CPA, JD  
 Casey L. Ardoin, CPA  
 Deidre L. Stock, CPA  
 Karen V. Fontenot, CPA

\* A Professional Accounting Corporation

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

183 South Beadle Rd.  
 Lafayette, LA 70508  
 Phone (337) 232-4141  
 Fax (337) 232-8660

450 East Main Street  
 New Iberia, LA 70560  
 Phone (337) 367-9204  
 Fax (337) 367-9208

113 East Bridge St.  
 Breaux Bridge, LA 70517  
 Phone (337) 332-4020  
 Fax (337) 332-2867

200 South Main Street  
 Abbeville, LA 70510  
 Phone (337) 893-7944  
 Fax (337) 893-7946

1234 David Dr. Ste 203  
 Morgan City, LA 70380  
 Phone (985) 384-2020  
 Fax (985) 384-3020

1013 Main Street  
 Franklin, LA 70538  
 Phone (337) 828-0272  
 Fax (337) 828-0290

434 East Main Street  
 Ville Platte, LA 70586  
 Phone (337) 363-2792  
 Fax (337) 363-3049

133 East Waddil St.  
 Marksville, LA 71351  
 Phone (318) 253-9252  
 Fax (318) 253-8681

332 West Sixth Avenue  
 Oberlin, LA 70655  
 Phone (337) 639-4737  
 Fax (337) 639-4568

1428 Metro Drive  
 Alexandria, LA 71301  
 Phone (318) 442-4421  
 Fax (318) 442-9833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired:  
 Conrad O. Chapman, CPA\* 2008

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Ricky Fontenot, Mayor  
 and Members of the Board of Aldermen  
 Town of Mamou, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Mamou, Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town of Mamou, Louisiana's basic financial statements and have issued our report thereon dated June 16, 2014. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The report on the Town of Mamou, Louisiana was adverse because the financial statements do not include financial data of all component units of the Town of Mamou, Louisiana. The financial statements of the omitted component units were not audited in accordance with the *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these omitted component units.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Mamou, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Mamou, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Mamou, Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Mamou, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
June 16, 2014

TOWN OF MAMOU, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended December 31, 2013

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (12/31/13) --						
<u>Internal Control:</u>						
There were no internal control findings to be reported.						
<u>Compliance:</u>						
There were no compliance findings to be reported.						
<u>Management Letter:</u>						
There were no management letter comments to be reported.						
PRIOR YEAR (12/31/12) --						
<u>Internal Control:</u>						
There were no internal control findings to be reported.						
<u>Compliance:</u>						
There were no compliance findings to be reported.						
<u>Management Letter:</u>						
2012- 001(ML)	2006	A continuing significant gas loss occurred. Despite efforts to locate and repair gas leaks, this loss has not significantly decreased from prior years. The Town should investigate possible reasons for the significant gas loss and continue efforts to reduce the loss.	Yes			